



Agency Recommendation Summary

The Department of Health requests funds to identify, promote, and create options for microenterprise retail food businesses to thrive in Washington State to address; barriers of starting a food business, a lack of commercial kitchens, and a complex process of accessing funds and permits. This request includes community engagement, promotion, education, and determining innovative and safe options. The department plans to engage with communities that might otherwise start a less safe home kitchen food business. The results of this proposal will be more equitable food safety system while maintaining safety and public health.

Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Staffing						
FTEs	8.4	8.4	8.4	8.4	8.4	8.4
Operating Expenditures						
Fund 001 - 1	\$1,005	\$973	\$1,978	\$973	\$973	\$1,946
Total Expenditures	\$1,005	\$973	\$1,978	\$973	\$973	\$1,946

Decision Package Description

Problem:

The retail food industry in Washington represents economic opportunity, a celebration of different cultures, and builds resilient communities. The industry has shown amazing flexibility through the recent pandemic and providing more opportunity for entrepreneurship is key to the recovery of the industry and our communities.

Starting and sustaining a food retail business is very difficult. The public health system has been a part of helping these businesses. From the planning phase, through opening and building a thriving business, the Department of Health and Local Health Departments support owners and employees to ensure safe preparation of food.

As the food industry has incorporated innovative ideas, the public health system is needing to enter a new space: to promote economic equity by reducing the barriers of starting a food retail business. Public health is ready for that shift in mission by connecting with state agencies, industry partners, and diverse communities, to promote opportunities and resources.

Starting a food business of any type can be expensive and requires extensive knowledge. Amongst other reasons, many entrepreneurs seek to share cultural food traditions and family recipes but lack the resources to start a commercial restaurant. A simpler and less expensive alternative to commercial kitchens has led some entrepreneurs to use their home or residential kitchens to cook food. However, home kitchens are unable to meet the same safety standards as commercial kitchens and represent serious unintended negative consequences. Residential kitchens have multiple uses and are used by a variety of people, which increases the risk for contaminating food. Residential kitchens also frequently lack safer, commercially rated equipment needed to safely prepare large amounts of food. In addition, state law (Cottage Food Rule) limits the preparing of food in a home kitchen to things such as baked goods, candies, jams, and nuts. More complex foods (which can contain meat) have greater food safety risks because they require complex preparation with multiple steps, including proper cooling and ample space for refrigerated storage. This increases the risk of foodborne illness, increases the legal risk to the individual chef, and introduces potential violations of several state and local codes including the state retail food code, fire, city zoning, ADA requirements, sewage standards, rental lease agreements, homeowner association rules, and parking restrictions.

Past legislative efforts failed (SB 6434 and HB 2777 in 2020 and HB 1258 in 2021) but would have allowed food businesses to operate in private homes. These bills did not adequately address many issues and introduced several equity concerns. The Department and other concerned groups shared these concerns with proponents and legislators. The concerns included:

- jeopardizing residential rental/lease agreements due to commercial activity in residential development,
- inability of non-commercial construction and equipment in private homes to safely process large amounts of food,
- allowing home-prepared food to be sold out of state,
- less safe handwashing requirements,
- allowing unsafe cooling practices,
- allowing food to be sold outdoors,
- unsafe cleaning procedures,
- fire safety issues,
- potential ADA accessibility issues,
- redundancy and conflicts with state law and 246-215 WAC,
- reduced inspection frequency,

requirements for advanced notice of inspections, the creation of a very complicated pilot program, misuse of onsite septic systems, the granting of permitting authority to DOH for these businesses, and gross revenue limits which would be difficult to enforce and limit the potential of these businesses.

While the department disagrees with the policy to allow home kitchens, it does believe there are some *meaningful ways the department can encourage safe and accessible business models*. The department has made many connections and discussed this issue with multiple interested parties. The department is using the information learned from these connections and discussions to create this proposal.

Proposal:

The department will promote microenterprise business opportunities by offering improved resources to entrepreneurs and addressing a shortage of commercial kitchen space. Through community engagement and stronger partnership with stakeholders, the department will build an education program focused on those wanting to start food businesses, encourage the development of more commercial kitchens, identify grant programs that reduce the financial burden, and work with local health jurisdictions to promote local resources.

To do this, the department will work closely with public agencies, industry, and non-profits to create innovative solutions and hire staff from multiple disciplines who can dedicate their energy and expertise to this problem. This includes a project manager, a food safety specialist, technology staff, community health education specialists, a planning development specialist, and two community engagement specialists.

Building Connection with Communities

The department will hire two (2) FTE Community Engagement Specialist (Health Services Consultant 4) to build connection with communities and organizations representing diverse communities to be an advocate to identify barrier and provide resources. These positions are a key component of the program's success. These positions will travel routinely meeting with diverse communities, advocate organizations, tribes, non-profits to better understand the importance of food as a cultural celebration and as an economic driver. In addition, these positions will be a liaison with the governmental system to identify policy gaps, financial needs, and recommend changes to better support diverse populations and underrepresented communities. This includes working towards developing educational materials in multiple languages, offering trainings, attending key community meetings and events, and building trust.

Building Accessible and Safe Kitchen Space

The department will hire one (1) FTE Commercial Kitchen Planner Advisor (Health Services Consultant 4) to work with contractors, development firms, municipalities, and community planners to build more community kitchens. In partnership with non-profits already offering kitchen space and classes, this position will build a plan for increased kitchen space with an emphasis on areas in the state where there is a significant lack of community kitchens. This will also include working with advocates, associations, and partners in affordable housing projects to construct and make available community kitchen space for tenants.

Improved Connection and Awareness of Existing Resources

The Department will hire one (1) FTE Program Manager (Management Analyst 5) to oversee operations of this expanded program, liaison with local public health departments, explore innovative ways to promote diverse foods, recommend adaptations to the public health system, and be the lead voice with microenterprise business and public health. This position will attend statewide public health meetings (Washington State Association of Public Health Officials, Washington State Public Health Association, Washington State Environmental Health Directors), equity conferences, and industry meetings to build connection with the economic aspect of the food industry.

In addition, the department will hire one (1) FTE Community Education Specialist (Health Services Consultant 4) and one (1) FTE Data Analyst (Health Services Consultant 3) to build a robust public education program. This program will highlight available resources for starting a business, offer web resources, interactive maps to find community kitchens, work with state agencies to highlight funding opportunities, and offer materials in cultural appropriate ways. The proposed DOH staff will discuss ways to build the program's success by working with the following state agencies:

Department of Agriculture to:

- Increase support to cottage food chefs including providing educational materials in multiple languages that are aligned with other public health materials and principles.
- Conduct a study to understand the number of operations and what would be needed for these operations to move to commercial kitchens, barriers, and overall opinion of this shift.

Department of Commerce to:

- Identify and increase funding to key grant programs they administer that would be accessible to entrepreneurs with no/low credit, and limited investment funds.
- Explore ideas and need to offer grants for initial investment in microenterprise kitchens, such as:
 - Cover public kitchen fees for at least one year for a business to get started, build customer base, and establish routine revenue.
 - Provide vouchers for childcare for up to one year.
 - Increase funding to non-profits to build public kitchens and related facilities.

Leverage existing funding at farmers markets, public markets, agricultural facilities, etc. to build public kitchen space.

Department of Enterprise Services to:

Improve visibility of the masters contracting process and opportunities for non-profits to utilize state contracts for goods and services. Consider other ways state resources can reduce costs, streamline processes, and support access.

Building Connection with Non-Profit Organizations and other key organizations:

The Program Manager will be able to build meaningful and consistent relationships with nonprofits and advocates such as: The Washington Association of Microenterprise Business, the Washington Hospitality Association, Local Health Jurisdictions, Food Banks, Food Pantries, Religious Organizations, State Agencies, and others.

We believe that by expanding the food safety program's capacity and expertise in the economic aspects of the food industry, this proposal will help entrepreneurs find a clearer, incentivized pathway to starting a safe, code-compliant food business.

Alternative:

Status Quo: Several barriers would remain for starting a business.

Allowing home kitchens for complex foods: The alternatives are legislation allowing food businesses to prepare complex food in their private homes. This would lead to less safe food, in addition to other public health concerns such as fire safety, unapproved water sources, increased load on onsite sewage systems, as well as zoning and planning issues. It also creates a less equitable business climate for those starting their food businesses in commercial spaces.

Using existing resources: We explored working on the issue with existing staff, but the complexities demand more specialized and dedicated staff to ensure a long-term, equitable solution.

Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

These assumptions are based on a continuation of the current (FY23) funding level for FY24.

Detailed Assumptions and Calculations:

Our Public Health system and interactions with the food industry are spurred by the food code and focused on food safety only. We are needing to build capacity and expertise to better understand where inequities exist, how to support the business side of the industry, and think more holistically about our work.

The success of this proposal relies heavily on effective and accessible community engagement for the existing or potential future home kitchen chefs that seek to start a micro kitchen business. This will require a robust communication and implementation plan to target cultural and low-income communities.

Assumptions are that additional, dedicated, specialized staff are needed to successfully address the issues associated with food businesses operating from private homes.

Needed capacity and expertise include project management, community engagement and education, data analysis, IT support, and specialized food safety and equity knowledge.

The FNCal numbers for DOH are directly related to staff time and basic data development.

1.0 FTE Project Manager, MA5, salary \$91,524

A project manager will oversee staff, identify deliverables, track progress, and lead engagement and coordination with interested parties. Food safety staff will provide input on food safety risks, applicable laws and regulations, coordinate with local health jurisdictions, and provide input on all aspects of the project with a food safety impact. One staff will collect information regarding community kitchen locations, size, and other relevant information. The staff will manage that data, and publicize the information by designing web pages, creating interactive maps, and online resources for entrepreneurs looking to start food businesses or move their home business to safe commercial spaces. Community health education specialists will work with microenterprise business proponents and owners to develop and maintain helpful resources for starting and operating a business. They will also connect with organizations such as the Washington State Microenterprise Association to understand challenges; leverage communication and funding; and help with their work to promote business through web presence, classes, and coordination. These staff will create education materials in multiple languages, attend community meetings, and support the food industry. They will also partner with the Washington Hospitality Association and Mobile Food Truck Association to create and disseminate information about public

kitchens. This includes grants, promotion, education, and community engagement.

1 Data Analysis and Web Design, HSC 3, \$75,120

Work with department staff and local health departments to build and maintain an interactive mapping system for entrepreneurs to locate public kitchens and access resources.

Partner with nonprofits, such as the Washington Association of Microenterprise Business, to link web resources and share data

Build reports based on data that better inform community engagement and decisions by the department impacting microenterprise business and communities.

Work closely with nonprofits with community kitchens to highlight their work including business classes.

1 FTE Community Health Education Specialists; HSC 4, \$82,896

Develop, implement, and represent a comprehensive food safety education program focused on microenterprise kitchens, incubator kitchens, non-profits with kitchens, food banks, and religious organizations.

Develop, in partnership with the community engagement specialist, culturally appropriate materials around food safety and resources for beginning a food business.

Work closely with existing food safety staff at DOH to evaluate the food code and identify opportunities to be more relevant for emerging food service models.

Work with innovative business model leaders (third party delivery, etc.) to understand health concerns and offer educational support and minimize risk of foodborne illness.

1 FTE Planning Development Specialist; HSC 4, salary \$82,896

Work with organizations that focus on socially responsible development to incorporate public kitchens into major development projects. For example, when building affordable housing, include a public kitchen space in the commercial floor of the building. Identify creative ways to building community kitchens.

Work with non-profits to identify communities without public kitchens and work with state agencies and other stakeholders to receive funding for projects.

Conduct study on costs to convert a residential kitchen into a commercial kitchen, what other barriers exist, and determine if this is viable

Partner with proponents of food industry microbusinesses to understand other capital barriers that exist.

Determine funding sources and methods to incorporate childcare into affordable housing development, which will allow parents time for their microenterprise business

2 FTE Community Engagement Specialist; HSC 4, salary \$165,792

Talk directly with microenterprise chefs and proponents to promote safe and legal business models.

Partner with state agencies and interested parties to increase kitchen space, build tools to connect chefs with these facilities, and provide educational outreach to better publicize safe and code-compliant pathways for food businesses. The desired results are food businesses operating legally and safely. Identifying pathways to achieve this will make it easier for businesses to comply with food safety rules and be more efficient for regulators to conduct inspections.

Engage with diverse communities to understand what foods may meet the exempt food list criteria and make recommendations to the department and State Board of Health to amend the food code to allow more options – especially options that celebrate represented cultures.

Work with tribes to understand impacts of food rules and traditional foods.

0.1 FTE WMS2, salary \$11,436

Management capacity for the new team.

Workforce Assumptions:

Workforce Assumptions FY24 Projections Only						
FTE	Job Classification	Salary	Benefits	Startup Costs	FTE Related Costs	
0.1	WMS02	\$11,000.00	\$4,000.00	\$0.00	\$1,000.00	
1.0	MANAGEMENT ANALYST 5	\$92,000.00	\$34,000.00	\$4,000.00	\$8,000.00	
4.0	HEALTH SERVICES CONSULTANT 4	\$332,000.00	\$128,000.00	\$17,000.00	\$30,000.00	
1.0	HEALTH SERVICES CONSULTANT 3	\$75,000.00	\$30,000.00	\$4,000.00	\$8,000.00	
1.4	FISCAL ANALYST 2	\$73,000.00	\$35,000.00	\$0.00	\$0.00	
1.0	HEALTH SERVICES CONSULTANT 1	\$50,000.00	\$24,000.00	\$0.00	\$0.00	
8.4		\$633,000.00	\$255,000.00	\$25,000.00	\$47,000.00	

Estimated expenditures include salary, benefit, and related costs to assist with administrative workload activities. These activities include policy

and legislative relations; information technology; budget and accounting services; human resources; contracts; procurement; risk management, and facilities management.

Strategic and Performance Outcomes

Strategic Framework:

This package relates to the following Governor's Results Washington goal areas:

Healthy and Safe Communities

Having food businesses in commercial spaces instead of private homes improves food safety by reducing the risk of foodborne disease.

Increased access to commercial kitchen space will also promote the diverse cultures represented in WA state through the food industry, the types of food offered, and it being prepared safely.

Prosperous Economy

Food businesses in commercial spaces are more sustainable and have a greater chance to succeed long-term.

Increasing access to shared commercial kitchens will give more entrepreneurs the opportunity to start food businesses.

Efficient, Effective, and Accountable Government

Creating a comprehensive project involving affected parties, advocates, engagement and equity specialists, and agency partners will be more efficient and effective than all the parties working separately.

Public health regulators are accountable for ensuring food businesses are as safe as possible.

This proposal supports the Dept. of Health's **Transformational Plan Priority I. Health and Wellness, II. Health Systems and Workforce Transformation, III. Environmental Health, IV. Emergency Response and Resilience, V. Global and One Health**, in that all Washingtonians have the opportunity to attain their full potential of physical, mental, and social health and well-being. All Washingtonians are well served by a health ecosystem that is robust and responsive, while promoting transparency, equity, and trust. All Washingtonians will thrive in a broad range of healthy environments — natural, built, and social. All Washington communities have the information and resources they need to build resilience in the face of myriad public health threats and are well-positioned to prepare for, respond to, and recover from emergencies and natural disasters, and that all Washingtonians live in ever-connected environments that recognize and leverage the intersection of both global and domestic health as well as the connections of humans, animals, and the environment.

The package supports the following values:

Outward Mindset

This project is people focused and will account for the diverse viewpoints and experiences of our customers.

Much of this work will be engaging with the community, seeking input, and providing education and outreach.

Funding

The agency is proactively seeking funding for this project to improve the health of Washingtonians, which is the agency's number one priority

This proposal will leverage existing funding in other agencies to build infrastructure and support the food industry

Data, Information, Technology Innovations

The project will create an interactive map of shared commercial kitchens across Washington, allowing easy information access to entrepreneurs

Collect and maintain data on community kitchens as permitted by LHJs

Create educational web pages, helping food businesses seeking to understand their food safety requirements

Equity, Diversity, Inclusion

Many of the entrepreneurs operating microenterprise businesses are from underrepresented populations so this project will deliberately engage these entrepreneurs

All aspects of this project will be conducted with equity in mind to ensure equitable access to these services and improved food safety for all.

Performance Outcomes:

1. Entrepreneurs will have access to 25% more shared kitchen space each year of the project
2. In the first year of the project an interactive map will be developed showing the location of shared kitchen spaces and restaurants willing to rent their kitchen
 - Since the available data is limited, each year, staff will gather detailed information on shared kitchen spaces from 10 local health jurisdictions (LHJs)
 - After three years, accurate information will be entered for 30 of the 35 LHJs
3. Within six months, create a website and other educational materials providing resources (access to grant programs, childcare support, food classes, LHJs) and make it available in multiple languages
4. Within the first year, the project manager will be hired and subsequently hire all allocated staff
5. Within six months have fully established, active community engagement groups from four regions in the state
6. In the first year identify funding and methods to incorporate childcare into affordable housing development
7. Within three months complete a study on costs to convert a residential kitchen into a commercial kitchen, the barriers to this, and viability
8. In the first three months identify and establish relationships with organizations that focus on socially responsible development to incorporate public kitchens into major development projects
9. Within the first month set up regular meetings with partners, including Washington State Microenterprise Association, the Washington Hospitality Association, and the Washington Food Truck Association
10. Positive outcomes include:
 11. The risk of foodborne illness will be mitigated if foods are prepared in commercial kitchens
 - This should be especially true for cultural foods sold to people in those communities that would be frequent customers of these prepared foods
 12. It will provide entrepreneurs more options and better help them begin a safer and code-compliant food business
 13. Foods prepared in commercial kitchens will reduce health disparities for those communities and mitigate some of the health equity issues surrounding this situation.
14. Potentially negative outcomes include:
 - Indeterminant improvements for Tribal Nations as these changes won't directly impact food businesses on sovereign tribal land

Equity Impacts

Community outreach and engagement:

This request, if funded, would allow the department to work more closely with populations who have historically been marginalized, identify significant policy issues, and build resilience in supporting diverse community groups. With a more robust community engagement plan planned for these communities that have been historically marginalized the department will build connections through a transparent regulatory system meant to reduce barriers and offer resources in a cohesive way.

Disproportional Impact Considerations:

This proposal seeks to avoid marginalizing communities that are cooking from home by engaging them with greater economic opportunity, especially in areas with few commercial, shared kitchen opportunities. This will be especially true for minorities, who may have fewer resources but want to share cultural foods with their community. The education and outreach activities in this proposal will target these populations. Current community outreach and engagement showed the need for clearer education on starting food businesses, more shared kitchen space, and grant and loan opportunities to help start food businesses. It's possible those currently operating from home will be marginalized as home-based food businesses move to shared spaces. This could reduce business if consumers prefer food prepared in commercial kitchens. Also, those without the ability to get to shared spaces due to various circumstances such as travel, or childcare barriers may experience hardships.

Target Populations or Communities:

All business owners will be able to start a food business with all the resources of existing businesses (e.g., Safe facilities, support from public health, etc.) reducing the risk of foodborne illness. The general population will benefit as food businesses will be operating in facilities that impose less risk than a home-based kitchen.

Other Collateral Connections

Puget Sound Recovery:

N/A

State Workforce Impacts:

None.

Intergovernmental:

Project staff will work with staff from LHJs to identify shared kitchen spaces in each LHJ, share any current educational and application materials on their permitting process, and identify interested parties. Shared commercial kitchens require LHJs to regulate them so this will increase the number of permitted food establishments they regulate. It will also increase the number of food establishments to regulate as more businesses use these facilities. The department will provide any needed technical support and education. This will require data collection and a small amount of meeting time. If grants are obtained, there may be new construction that will have minimal impact on county or city governments. Staff will invite representatives from tribal, regional, county, and city governments to participate in community engagement groups. Some of these staff will be involved in identifying existing shared kitchen spaces and promoting the construction of new shared kitchen spaces.

DOH staff will also work with: Department of Enterprise Services to better understand how the master's contracts process work and identify opportunities to offer goods and services through the state contracting office that could reduce costs and streamline processes for qualifying organizations.

Department of Agriculture to identify ways to administer the Cottage Food program more effectively and increase support to cottage food chefs including developing educational materials in multiple languages. Consider the number of operations, what would be needed for these operations to move to commercial kitchens, barriers, and overall opinion of this shift. Decrease time for plan review to allow businesses to start quickly and safely.

Department of Commerce to identify funding to key grant programs they administer that would be accessible to entrepreneurs with no/low credit, limited investment funds, and childcare needs. The grants could provide:

initial investment in microenterprise kitchens cover public kitchen fees for at least one year for a business to get started, build customer base, and establish routine revenue.

vouchers for childcare for up to one year.

increase funding to non-profits to build public kitchens and related facilities.

leverage existing funding at farmers markets, public markets, agricultural facilities, etc. to build public kitchen space.

Stakeholder Response:

The public will be impacted because food sources will be safer as food businesses move to or begin operating in safer, commercial spaces

Minorities wishing to share cultural foods will have improved access to safer, code-compliant, shared kitchens and access to resources helping them start or improve their business

The Washington Hospitality Association's stakeholders will welcome this project as it creates a more equitable food business climate

The Washington Food Truck Association members will benefit from increased access to shared kitchen spaces and will provide support to entrepreneurs considering food truck businesses

Those currently operating non-code compliant food businesses from private homes and advocates of these businesses will most likely oppose this work.

State Facilities Impacts:

None.

Changes from Current Law:

None needed.

Legal or Administrative Mandates:

N/A

Reference Documents

- [Backup - OEHS - Supporting Microenterprise Kitchens and Entrepreneurship - Decision Package.docx](#)
- [FINAL - OEHS - Supporting Micro-Ent Kitchens_FNCal_2023-25 \(1\).xlsm](#)

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No

Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Obj. A	\$633	\$629	\$1,262	\$629	\$629	\$1,258
Obj. B	\$258	\$255	\$513	\$255	\$255	\$510
Obj. E	\$36	\$36	\$72	\$36	\$36	\$72
Obj. G	\$7	\$7	\$14	\$7	\$7	\$14
Obj. J	\$25	\$0	\$25	\$0	\$0	\$0
Obj. T	\$46	\$46	\$92	\$46	\$46	\$92

Agency Contact Information

Kristin Bettridge
(360) 236-4126
kristin.bettridge@doh.wa.gov